



VA

RELEASED

JUN 3 1970

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Dear Mr. Chairman:

Reference is made to your letter dated November 24, 1969, requesting our views on the matter of the Birmingham, Alabama, Veterans Administration (VA) Hospital's obtaining reimbursement from the University of Alabama Medical School (University) for the salary of a full-time VA physician, Dr. Jean Morgan. Dr. Morgan rendered services to four VA patients being treated in the University Hospital during the period May through November 1969 pursuant to a VA agreement with the University for sharing of medical resources. *See*

VA, after studying this matter, has concluded that reimbursement by the University in the amount of \$4,000 would be reasonable for services rendered to VA patients at the University Hospital by Dr. Morgan. The University has agreed to reimburse this amount to the Government.

Our review included an examination of the files in the VA Central Office and discussions with VA and University officials. The following information relates to Dr. Morgan's medical practice at the VA Hospital and at the University Hospital.

On April 1, 1968, when the VA agreement with the University for sharing of medical resources was consummated, Dr. Morgan was Chief of Staff at the Birmingham VA Hospital. Dr. Morgan participated in the negotiations leading to the finalization of this agreement.

In January 1969, a new chairman of the University's Department of Medicine was appointed. The Chairman believed that there was a need for new leadership, improved staffing, and more efficient utilization of resources in the area of renal services. On April 1, 1969, Dr. Morgan, at her request, was reassigned by the VA Chief Medical Director from the position of Chief of Staff, which is primarily an administrative position, to a position in the VA Medical Service in order to return to clinical medicine, research, and teaching.

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The University's department chairman and Dr. Morgan informed the Director of the Birmingham VA Hospital of the need for Dr. Morgan's assistance in the renal service pending recruitment of qualified staff. The Birmingham VA Hospital Director suggested that Dr. Morgan help the University all she could within the limits of VA's policy regarding outside activities but only after fulfilling her primary responsibility of treating VA patients in the Birmingham VA Hospital.

Under this arrangement, Dr. Morgan, a full-time VA physician, was assigned the responsibility for those VA patients receiving hemodialysis in the University Hospital under the sharing agreement. The Birmingham VA Hospital Director, in a letter dated September 17, 1969, to the VA's Regional Office Chief Attorney, stated that, as a physician in the Birmingham VA Hospital, Dr. Morgan was responsible for recommending to the VA Hospital Chief of Staff those VA patients whom she believed should be placed in the University's renal service. He further stated that, as Acting Director of the University Dialysis Unit, she was responsible for directing the unit's activities, including treatment of VA patients.

In conjunction with a VA study of the outside professional activities of its full-time physicians, VA reviewed the activities of Dr. Morgan in rendering services at the University Hospital during the period from May through November 1969.

The Chief of Staff of the Birmingham VA Hospital, in a memorandum dated February 10, 1970, to the Birmingham VA Hospital Director, stated that, because of a physician's multiple responsibilities, specific hours of medical practice are difficult to document. He stated, however, that he had sought to establish, by the use of clinical records and estimates of hours spent on various activities, the amount of time Dr. Morgan had devoted to her medical practice at the Birmingham VA Hospital during this period.

He pointed out that medical records of selected veterans in the VA Hospital, known to be difficult and problem patients, had been reviewed and, in each case, numerous nursing notes had been found indicating Dr. Morgan's presence at the VA Hospital. These medical records also included progress notes and doctors' orders written and signed by Dr. Morgan. He stated that these records clearly indicated Dr. Morgan's presence and participation in direct patient care of these veterans during the period of May through November 1969.

In addition, the Chief of Staff stated that Dr. Morgan was participating in the VA renal transplant program. He added that Dr. Morgan had seen VA patients at the VA Hospital at least 5 days a week and on weekends and nights whenever problems arose. He further stated that, although during several months of the 7-month period other VA Hospital doctors had been the attending physicians for certain patients, the patients' records indicated that Dr. Morgan had routinely followed their progress. Also, according to the Chief of Staff, Dr. Morgan had been on call every third weekend to care for renal patients and that night calls had been rotated among Dr. Morgan and other VA Hospital doctors.

The Chief of Staff estimated, on the basis of available information, that the number of hours Dr. Morgan had devoted to medical practice at the Birmingham VA Hospital during the 7-month period was about 29 hours a week. According to the Chief of Staff, her activities related to (1) general medical conferences, (2) the renal transplant program, (3) hospital rounds, (4) organizational duties, (5) research, and (6) consultations, renal problems, and emergencies. He further stated that Dr. Morgan and her associates concurred in the estimate of the number of hours Dr. Morgan had devoted to medical practice at the VA Hospital.

VA Central Office staff reviewed the records associated with this matter and held discussions with the Birmingham VA Hospital Director. The VA Central Office concluded that the University should reimburse VA between \$3,000 and \$4,000 for

B-166870

a portion of Dr. Morgan's salary. The amount was based on an estimate, made by the Birmingham VA Hospital Chief of Staff, of the time (29 hours a week) Dr. Morgan had spent on VA work and on evidence contained in patient clinical records of Dr. Morgan's presence at the VA Hospital during the 7-month period. VA has concluded that, since it can document Dr. Morgan's medical practice in this manner, it is justified in accepting a \$4,000 settlement for Dr. Morgan's time spent at the University Hospital.

Using the data developed by the VA Central Office and the hourly rate of pay for Dr. Morgan, we estimate that Dr. Morgan's salary during this period for services rendered at the University Hospital would be about \$3,600, as follows:

	<u>Hours</u>
Total workweek hours	40
Less Chief of Staff's estimate of Dr. Morgan's time at the VA Hospital	<u>29</u>
Difference--hours a week spent at the University Hospital	<u>11</u>
Hours a week	11
Weeks spent at University Hospital	<u>X28</u>
Total hours	308
Dr. Morgan's hourly salary rate	<u>\$ 11.73</u>
Estimated salary for her services	<u>\$3,612.84</u>

An official of the University has informed us that, although the University does not feel that any reimbursement is due VA and without acknowledging any responsibility or liability to make any reimbursement, the University is willing to reimburse the Government in the amount of \$4,000.

B-166870

VA has instructed the Birmingham VA Hospital Director to accept payment of the \$4,000. In addition, the Hospital Director has been counseled to ensure that, in the future, the time and attendance records of physicians, dentists, nurses, and other employees of the VA Hospital are properly completed and documented.

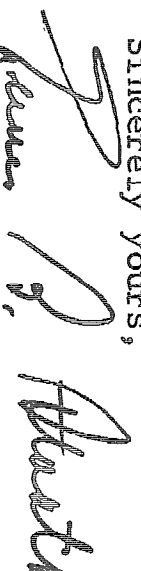
On the basis of the information stated above, the University's settlement offer of \$4,000 and VA's decision to accept the offer as payment for Dr. Morgan's salary during the time that she was performing services for the University appear reasonable.

We trust that the information contained in this letter will fulfill the purpose of your inquiry.

The matters discussed in this letter were not presented to VA for its review and comment.

We plan to make no further distribution of this report unless copies are specifically requested, and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report.

Sincerely yours,



Comptroller General
of the United States

The Honorable Olin E. Teague, Chairman
Committee on Veterans' Affairs
House of Representatives